

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of )  
 )  
PUBLIC UTILITIES COMMISSION )  
 )  
Instituting a Proceeding to )  
Investigate Proposed Amendments )  
to the Framework for Integrated )  
Resource Planning. )  
\_\_\_\_\_ )

Docket No. 2009-0108

PUBLIC UTILITIES  
COMMISSION

2009 SEP 25 A 9:02

FILED

PRELIMINARY STATEMENT OF POSITION  
OF THE  
COUNTIES OF HAWAII, KAUAI, AND MAUI  
AND  
CERTIFICATE OF SERVICE

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of	)	
	)	
PUBLIC UTILITIES COMMISSION	)	
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Instituting a Proceeding to	)	Docket No. 2009-0108
Investigate Proposed Amendments	)	
to the Framework for Integrated	)	
Resource Planning.	)	
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PRELIMINARY STATEMENT OF POSITION

Pursuant to the proposed Stipulated Procedural Order filed on September 11, 2009, the Counties of Kauai, Hawaii, and Maui ("Counties") provide the following Preliminary Statement of Position, identifying the Counties' proposed Governing Principles for a revised Integrated Resource Planning ("IRP") or Clean Energy Scenario Planning ("CESP") framework. These proposed Governing Principles are preliminary in nature and they are offered for future collaborative discussions with all parties to the instant proceeding.

Proposed Governing Principles

1. Each utility shall prepare an interim IRP/CESP filing for review and approval by the Public Utilities Commission.

The interim filing shall include, but not be limited to, all forecasts, assumptions, and planning scenarios being considered for use in subsequent planning analyses and modeling efforts. An interim filing would resolve any disputes from intervenors and/or Advisory Committee members about how the IRP scenarios should be prepared, before said scenarios and Action Plans are prepared and filed with the Hawaii Public Utilities Commission ("Commission").

2. There must be a level playing field for all market participants. The IRP/CESP framework must accommodate legitimate resource options proposed by Advisory Committee members and interested third parties. Accordingly, the Counties recommend that each utility shall model at least five resource portfolios/scenarios, as proposed by each utility's Advisory Committee.

3. Locational Value Maps shall identify all market opportunities for distribution system alternatives. Locational Value Maps shall include, but not be limited to, an identification of all significant distribution system projects under consideration and all distribution circuits reaching maximum distributed generation penetration limits. Each utility shall support the elimination or the

minimization of all identified distribution system projects by providing technical support, facilitating grid interconnections, and providing financial incentives to customer-generators and distributed generation companies. Each utility shall be also be entitled to financial incentives for facilitating the development of non-utility, distribution system alternatives.

4. The IRP/CESP process should evaluate various resource options on a consistent basis. In Technical Session #1, concern was expressed about "hard-wired" resource options. The Counties do not support the inclusion of any resource as a "given" in any IRP/CESP planning scenario. Rather, all resources, both supply-side and demand-side, should be allowed to "compete" with one another in the system optimization modeling process.
5. Rate designs and fee designs shall be considered as primary planning resources. Rate designs, distribution system and power generation hook-up fee designs, and other fee designs shall be evaluated in the IRP/CESP process as complementary resources to demand-side management, load management, and distributed generation resources.

6. Externalities values shall be evaluated from consumer and community perspectives, in the context of alternative resource portfolios/scenarios. An estimation of consumer and community externality values shall include, but not be limited to, an assessment of stakeholders' willingness-to-pay for various resource portfolios/scenarios. Each resource portfolio/scenario shall include, but not be limited to, a description of all quantified and qualified externalities, the average forecasted residential kilowatt-hour cost, and the average forecasted residential monthly billing. This externalities valuation approach provides the most relevant context for evaluating the most applicable externalities, to the most relevant stakeholders.
7. The IRP/CESP scenarios and the IRP/CESP Action Plans shall take into consideration the need to prevent or mitigate the consequences of prolonged grid outages and other energy emergencies. Each utility shall optimize resource portfolios with distributed generation resources that will improve energy emergency preparedness, response, and recovery efforts.

DATED: Hilo, Hawaii, September 23, 2009.

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Attorney for Intervenor  
COUNTY OF HAWAII

By   
WILLIAM V. BRILHANTE, JR.  
Deputy Corporation Counsel

DATED: Lihue, Kauai, Hawaii, September 22, 2009.

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COUNTY OF KAUAI

By \_\_\_\_\_  
AMY I. ESAKI  
Deputy County Attorney

DATED: Hilo, Hawaii, September 22, 2009.


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By WILLIAM V. BRILHANTE, JR.  
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DATED: Lihue, Kauai, Hawaii, September 22, 2009.

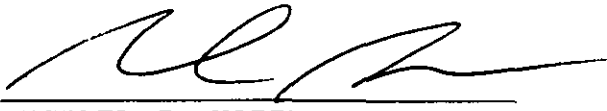
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COUNTY OF KAUAI

By  \_\_\_\_\_  
for AMY I. ESAKI  
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DATED: Wailuku, Maui, Hawaii, September 21, 2009.

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By   
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Deputy Corporation Counsel



CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing Preliminary Statement of Position were duly served upon the following by United States mail, first class postage prepaid, and by electronic mail, on September 24, 2009, addressed as follows:

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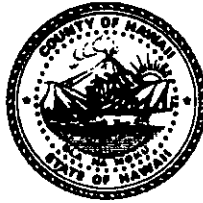
DATED: Hilo, Hawaii, September 24, 2009.

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**TRANSMITTAL LETTER**

**DATE:** September 24, 2009

**TO:** PUBLIC UTILITIES COMMISSION  
465 S. KING STREET, ROOM 103  
Honolulu, HI 96813

**FROM:** Stacie Waltjen, Legal Clerk to   
William V. Brilhante Jr., Deputy Corporation Counsel

**RE:** *Preliminary Statement of Position of the Counties of Hawai'i,  
Kaua'i, and Maui and Certificate of Service re Docket No. 2009-  
0108*

PUBLIC UTILITIES  
COMMISSION

2009 SEP 25 A 9:02

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ITEMS	DATE	DESCRIPTION
<i>Original &amp; 10 copies</i>	<b>9-24-09</b>	<i>Preliminary Statement of Position of the Counties of Hawai'i, Kaua'i, and Maui and Certificate of Service</i>

**TRANSMITTED FOR:**

- |  |  |
|--|--|
| <input type="checkbox"/> Your information and files                      | <input type="checkbox"/> Your approval & return                  |
| <input type="checkbox"/> Your signature and return                       | <input type="checkbox"/> Your review and comments                |
| <input type="checkbox"/> Your signature and forwarding as<br>noted below | <input checked="" type="checkbox"/> <b>See remarks below</b>     |
| <input type="checkbox"/> Per your request                                | <input type="checkbox"/> Filing and return<br>Envelope enclosed. |

**REMARKS:** Thank you in advance for the file-marked copies of the  
enclosed document.

Enclosures